

Amendments to the Specification:

Please replace paragraph beginning on page 6, line 6 with the following amended paragraph:

-- Based on this realization, the present invention proposes that hidden demand for a perishable consumer item at an occurrence of a sellout be preferably estimated by a single parameter conditional probability distribution whose parameter is the forecasted mean demand value determined by a forecast engine employing seasonal causal time series models of count data commercially available, for example, from Demantra Ltd, Israel. The advantage of this approach is that it takes into account important information, for example, monthly and weekly seasonal variations, predictable and sporadic events, and the like, which is liable to be overlooked if such an approach is not employed. Moreover, in one embodiment, ~~it has been empirically found that~~ demand for a wide range of perishable consumer items at an outlet is adequately modeled by a random variable X with a Poisson (λ) conditional probability distribution conditioned on the forecasted mean demand value λ , whereby the hidden demand at an occurrence of a sellout is given by:

$$H = E(X - D | X \geq D) = \lambda \left(1 + \frac{f(D)}{1 - F(D)} \right) - D$$

where $f(.)$ is the Poisson probability distribution function, $F(.)$ is the Poisson cumulative distribution function, and λ assumes the value of the mean demand value. Alternative single parameter conditional probability distributions may include *inter alia* exponential, geometric, and the like. It should be noted that the approach in accordance with the present invention precludes negative demand values which are inconceivable but theoretically possible in the case of the hitherto relied upon assumption that demand can be modeled by a Normal distribution. --